

Stark Opening Statement At Hearing On Mental Health Parity

Monday, 26 March 2007

Representative Pete Stark (CA-13), Chairman of the Ways and Means Health Subcommittee, delivered the following opening remarks at today's hearing on mental health parity.

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STARK OPENING STATEMENT AT HEARING ON MENTAL HEALTH PARITY

WASHINGTON, DC — Representative Pete Stark (D-CA), Chairman of the Ways and Means Health Subcommittee, delivered the following opening remarks at today's hearing on mental health parity.

"Today our subcommittee will examine two important improvements to America's health system: mental health parity in the private health insurance market and mental health parity in Medicare.

"We have come a long way in our diagnosis and treatment of mental illness and substance abuse. Unfortunately, laws governing the mental health treatment have not come as far. Health insurers typically impose lower treatment or dollar limits for mental health, impose higher copayments, and limit hospitalization periods. This discrimination isn't limited to the private sector. While we created mental health parity in the Federal Employees Health Benefit Plan, Medicare continues to discriminate against mental health treatment.

"Nearly one in four adults suffer from some form of mental illness and five percent have severe mental illness. One in five seniors experience mental disorders that are not part of the normal aging process. People over age 65 have one of the highest suicide rates, accounting for 20 percent of all suicide deaths in the United States, while comprising only 13 percent of the population.

"I would like to thank Mr. Ramstad on our subcommittee and Mr. Kennedy who will testify today. Together they have been fighting for full parity for mental health and substance-abuse treatment. They have taken this issue on the road, hosting field hearings around the country, and today we will hear what they've learned. They have 256 original

cosponsors—more than the 218 majority needed to pass a bill — on the Paul Wellstone Mental Health and Addiction Equity Act, HR 1424.

“Our first two panels will discuss the need for mental health parity for those with private health insurance. With strong support in both the House and Senate, I am hopeful we will see this bill move quickly into law.

“Our third panel will focus on the need for mental health parity in Medicare. Medicare’s mental health benefit is fashioned on treatment provided in 1965. Inpatient coverage at psychiatric hospitals is limited to 190 days over the beneficiary’s lifetime. In addition, beneficiaries are charged a discriminatory 50 percent coinsurance for outpatient psychotherapy services, compared to 20 percent for physical health services.

“Because of these limitations, Medicare spending in mental health is skewed toward costly hospital services. In 2001, 56 percent of mental health spending in Medicare went to inpatient care, which was over twice the national average of 24 percent. Conversely, the percentage of Medicare spending for cost-effective outpatient care is far below the national trend.

“I have introduced legislation since 1995 that provides mental health and substance abuse parity in Medicare for inpatient and outpatient services. It also redesigns the outpatient benefit to make it easier for beneficiaries to get mental health services from cost-efficient options in the community. I again thank Mr. Ramstad and Mr. Kennedy for helping me introduce HR 1663 this year.

“I seldom agree with President Bush, but in April 2002 he identified unfair treatment limitations placed on mental health benefits as a major barrier to mental health care. He launched the New Freedom Commission on Mental Health to identify how mental health care can be improved. One of our panelists today who served on the Commission will discuss their suggestions. President Bush also urged Congress to enact legislation that would provide full parity in the health insurance coverage of mental and physical illnesses. I agree — it is time to end discrimination against mental health in both commercial insurance and Medicare.”